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BEFORE THE FEDERAL ELECTION COMMISSION

2009 DEC 30 AM 10:45

In the Matter of

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The National Republican Congressional
Committee and Keith Davis, in his official
capacity as Treasurer

Pre-MUR 470

GENERAL COUNSEL'S REPORT #2

I. ACTIONS RECOMMENDED

(1) Open MUR as to Pre-MUR 470;

(4) find reason to believe that the National Republican Congressional Committee and
Keith Davis, in his official capacity as treasurer, violated 2 U.S.C. §§ 432(c) and 434(b)

and

(6) approve the appropriate letter.

II. INTRODUCTION

Pre-MUR 470 is a *sua sponte* submission filed by the National Republican Congressional
Committee ("NRCC" or "the Committee") and Keith Davis, in his official capacity as treasurer,
regarding possible campaign finance violations. Information contained in the NRCC's
April 23, 2008 *sua sponte* submission and additional materials submitted by the NRCC on
June 20, 2008 (the "Covington & Burling Investigation Summary") allege that the NRCC's
former treasurer, Christopher Ward, made unauthorized disbursements totaling approximately
\$725,000 of NRCC funds, in violation of the Federal Election Campaign Act of 1971, as
amended ("the Act").

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Based on the available information, we recommended in the First General Counsel's Report in [REDACTED] that the Commission find reason to believe that the National Republican Congressional Committee and Keith Davis, in his official capacity as treasurer, violated 2 U.S.C. §§ 432(c) and 434(b). [REDACTED]

[REDACTED] The Commission took no action at that time with respect to the potential liability of the NRCC. Instead, this Office continued to work informally with the NRCC to obtain information explaining Ward's activity. For example, in response to an earlier request by this office, the NRCC submitted a letter on March 25, 2009, that clarified information that it previously provided about its internal investigation and Ward's embezzlement, and provided additional information about its internal controls. Additionally, in response to a request by this office, the NRCC produced the bank records of the President's

1 Dinner Committees ("PDCs") in its possession on April 1, 2009.² On May 21, 2009, the NRCC
2 also submitted additional PDC records requested by this Office.¹ Finally, on October 27, 2009,
3 the NRCC meet with this Office and representatives of the Reports Analysis Division to discuss
4 several remaining issues.

5 The Commission has not yet voted on the pending First General Counsel's Report in this
6 matter, which recommended that the Commission find reason to believe that the National
7 Republican Congressional Committee and Keith Davis, in his official capacity as treasurer,
8 violated 2 U.S.C. §§ 432(c) and 434(b). This Report summarizes the relevant information,
9 including the results of recent contacts with the NRCC, analyzes the NRCC's apparent violations
10 of the Act and Commission regulations, renews the reason to believe recommendations as to the
11 NRCC, and recommends pre-probable cause conciliation.

13 **III. BACKGROUND**

14 In Pre-MUR 470, the NRCC's initial *sua sponte* submission sought mitigation of its
15 potential liability for violations of the Act arising from embezzlement by its former treasurer,
16 pursuant to the Commission's *Policy Regarding Self-Reporting of Campaign Finance Violations*
17 (*Sua Sponte Submissions*), 72 Fed. Reg. 16,695 (April 5, 2007), and the *Commission's Statement*

² The PDCs were committees created annually to serve as joint fundraising representative committees for joint fundraising efforts that benefit the NRCC and the National Republican Senatorial Committee ("NRSC"). Mr. Ward also served as treasurer for the 2001 through 2006 PDCs. As treasurer of the PDCs, Ward did not disclose on the PDCs' reports to the Commission unauthorized disbursements from the PDC accounts that he made to himself and to other committees that he served as treasurer.

1 *of Policy: Safe Harbor for Misreporting Due to Embezzlement*, 72 Fed. Reg. 16,695 (April 5,
2 2007).

3 In its *sua sponte*, the NRCC disclosed its discovery that its former treasurer, Christopher
4 Ward, transferred "several hundred thousand dollars" from the NRCC to other committees'
5 accounts without authorization and without disclosing the transactions to the Commission on the
6 NRCC's disclosure reports. *See NRCC Sua Sponte* Submission at 2. Ward appeared to have
7 made subsequent transfers of "several hundred thousand dollars" from those accounts to his
8 personal accounts. *Id.* Christopher Ward worked at the NRCC starting in November 1995 as the
9 committee's comptroller and served as treasurer from 2003 through July 2007, and served as a
10 consultant for the NRCC from August 2007 until his termination in January 2008. *Id.* at 1-2.

11 The NRCC discovered the alleged embezzlement on January 28, 2008 when Ward
12 informed the NRCC that there had been no audit of the Committee for the year 2006. *Id.* at 2.
13 Ward's consultancy was terminated that same day. *Id.* The NRCC then discovered that Ward
14 fabricated a draft final audit report and submitted false 2006 financial statements to the NRCC's
15 bank, and had been forging outside audit reports for several years. *Id.* As a result, the NRCC
16 retained outside counsel, reported the matter to the FBI and the Commission, and hired
17 PricewaterhouseCoopers to conduct a forensic audit of the NRCC's financial records. *Id.*

18 NRCC did not, at that time, know the exact amount that Ward had transferred without
19 authorization. *Id.* NRCC disclosed that in "numerous instances," Ward did not disclose these
20 transfers in disclosure reports filed with the Commission. *Id.* At year-end 2006, the NRCC's
21 actual cash on hand was approximately \$990,000 less than the amount disclosed in its FEC
22 reports. *Id.* at 3. The actual cash on hand for the January 2008 monthly report (filed
23 February 20, 2008) was approximately \$740,000 less than what was disclosed. *Id.* The NRCC

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1 disclosed that it "suspected" that "some of" the incorrect reported cash on hand was due to
2 Ward's "unauthorized transfers." *Id.* Apart from Ward's embezzlement, the committee also
3 learned in the course of its investigation that the amount disclosed as outstanding on its line of
4 credit was \$200,000 less than the amount actually owed. *Id.*

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9 On June 20, 2008, the NRCC submitted a summary of its internal investigation that stated
10 that Ward had, without authorization, transferred funds from the NRCC to other committee
11 accounts, and then to his own accounts. NRCC June 20, 2008 Letter, Attachment ("NRCC
12 Investigation Summary") at 3. NRCC noted that the transfers were either not disclosed or
13 disclosed inaccurately by Ward. *Id.* At that time, the NRCC characterized Ward's activities as
14 "apparently unauthorized." *Id.*

15 On July 22, 2008, the NRCC submitted additional documents developed during the
16 course of its internal investigation that also referred to undisclosed or under-disclosed
17 transactions as "apparently unauthorized." *See* July 22, 2008 NRCC Submission at first page
18 and at bates numbers NRCC-00001, 00094, and 00105. On December 19, 2008, the NRCC
19 submitted a Form 99 that listed all of Ward's transactions as "unauthorized disbursements." The
20 transactions listed in the Form 99 are set forth in the chart below.

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<u>Date</u>	<u>Recipient</u>	<u>Amount</u>
4/30/2002	2002 Presidents Dinner Trust	\$100,000.00
7/10/2002	Minnesotans for a Republican Congress Committee	\$32,879.00
10/12/2002	American Liberty PAC	\$36,000.00
10/12/2004	Reform PAC	\$19,000.00
12/08/2004	2004 President's Dinner Committee	\$40,000.00
1/14/2005	Crane for Congress	\$25,000.00
3/9/2005	2004 President's Dinner Committee	\$25,000.00
9/11/2006	2006 President's Dinner Committee	\$100,000.00
9/29/06	Volume Services, Inc.	\$47,194.12
12/1/06	2006 President's Dinner Committee	\$100,000.00
4/30/07	2006 President's Dinner Committee	\$150,000.00
TOTAL		\$675,073.12

1 **A. Undisclosed and Unauthorized Disbursements**

2 Ward's undisclosed and unauthorized disbursements of NRCC funds consisted of three
3 categories of transactions. Ward transferred \$515,000 from the NRCC to the accounts of the
4 President's Dinner Committees ("PDCs"), committees created annually to serve as joint
5 fundraising representative committees for joint fundraising efforts that benefit the NRCC and the
6 National Republican Senatorial Committee ("NRSC"). Mr. Ward was the treasurer for the 2001
7 through 2006 PDCs. The second category of unauthorized disbursements consisted of \$112,879
8 in funds transferred to other committees that Ward served as treasurer. The third category of
9 transactions comprises Ward's disbursement of \$47,194.12 from the NRCC to a vendor that

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provided services to the 2006 PDC. The undisclosed disbursements from the NRCC, therefore, totaled \$675,073.12. The undisclosed disbursements are summarized in the chart below.

Summary of Undisclosed Transactions	Total Amount
Undisclosed Transfer of Embezzled funds from NRCC to PDCs	\$515,000.00
Undisclosed Transfer of Embezzled Funds from NRCC to Other Ward Committees	\$112,879.00
Undisclosed and Unauthorized Payment of PDC Vendor with NRCC Funds	\$47,194.12
Total Undisclosed or Misreported Transactions	\$675,073.12

On March 25, 2009, the NRCC submitted a letter clarifying how it had determined that these disbursements were unauthorized. According to the NRCC, it initially hired an accounting firm to identify "presumptively unauthorized" transactions that required further analysis. NRCC Letter dated March 25, 2009 at 1. Transactions were analyzed further if they were not reflected in the NRCC's reports to the Commission, not reflected in the NRCC's accounting ledgers, not supported by "documentation substantiating the disbursements," or "not authorized as determined by NRCC management." *Id.* The transactions that the NRCC ultimately deemed unauthorized were "typically characterized by two or three of these features" and in all cases not disclosed in the NRCC's reports to the Commission. *Id.* NRCC also explained that it compared transactions recorded in its bank records with those recorded in its cash disbursement accounting records. *Id.* The NRCC explained that Christopher Ward was the person "primarily responsible" for recording transactions in the NRCC's accounting records. *Id.*

The NRCC also provided additional information about specific transactions that it deemed unauthorized, including a September 11, 2006 wire transfer of \$100,000 to the 2006

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1 PDC that was recorded in the NRCC accounting records. *Id.* The NRCC explained that the
2 transfer was not disclosed in the NRCC's reports to the Commission, not supported by the
3 typical documentation for a wire transfer, and not matched by a corresponding transfer from the
4 NRSC, which would have been expected if it were a legitimate transfer of funds to the 2006
5 PDC. *Id.* at 1-2. The NRCC deemed three other transactions "unauthorized" because they were
6 not recorded in the NRCC's accounting records, did not have supporting wire transfer
7 documentation, and were not disclosed in the NRCC's reports to the Commission. *Id.* at 2.
8 According to the NRCC, Ward's unauthorized disbursements depleted the 2006 PDC account to
9 such an extent that the 2006 PDC's \$47,094.12 check to a caterer bounced. *See id.* Ward then
10 paid the vendor using NRCC funds without authorization. *Id.* The wire transfer was not
11 recorded in the NRCC's accounting records, did not have supporting wire transfer
12 documentation, and was not disclosed on the relevant FEC Report.

13 **B. NRCC's Mis-Disclosed Cash on Hand**

14 In its initial *sua sponte*, the NRCC estimated that the amount of its cash on hand at the
15 close of 2006 was approximately \$990,000 less than what it reported to the Commission. *See*
16 NRCC *Sua Sponte* Submission at 2. By the time the NRCC filed its February 2008 Monthly
17 Report (for the period ending January 31, 2008, which coincides with Ward's termination), the
18 NRCC determined that its cash on hand was \$740,000 less than the amount reported to the
19 Commission. *Id.* Additionally, on December 31, 2008, the NRCC made a further adjustment to
20 its disclosed cash on hand, adding \$98,000, based on information obtained during its internal
21 audit.

22 As discussed above in Section III.A, the NRCC has identified \$675,073.12 in
23 unauthorized and undisclosed disbursements. The NRCC explained during a meeting with OGC

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1 and RAD staff on October 27, 2009, that the \$990,000 figure provided in its *sua sponte* was an
2 initial estimate. Accordingly, the NRCC now believes that its cash on hand discrepancy is a
3 \$642,000 overstatement (\$740,000-\$98,000) which closely parallels Ward's unauthorized
4 disbursements totaling \$675,073.12.

5 **C. Mis-Disclosed Line of Credit**

6 In its initial *sua sponte*, the NRCC disclosed that in the course of its internal investigation
7 into Ward's alleged embezzlement, it discovered that the amount it reported as outstanding on its
8 line of credit was \$200,000 less than the actual amount owed. During our meeting with the
9 NRCC on October 27, 2009, and in writing on December 3, 2009, the NRCC confirmed that its
10 misreporting of the balance on its line of credit was not related to Ward's embezzlement. The
11 NRCC corrected the amount on its disclosure reports on its March 2009 Monthly Report.

12 **D. Remedial Measures**

13 In its *sua sponte*, the NRCC asserted that after it discovered Ward's embezzlement, it was
14 supplementing its existing internal controls, and adopting and enforcing more effective internal
15 controls and procedures to prevent a recurrence, with particular emphasis on wire transfers. See
16 NRCC Sua Sponte Submission at 4-5. Additionally, on March 25, 2009, the NRCC summarized
17 additional measures that it implemented after Ward's embezzlement was discovered.

18 See NRCC Letter dated March 25, 2009 at 3-4. The NRCC's new controls are:

- 19 ○ Hiring a new professional treasurer to prepare the committee's reports to the
20 Commission;
- 21 ○ Enhancing its internal sign-off procedures required for paying invoices;
- 22 ○ Creating a new position of Chief Financial Officer and reorganizing its internal
23 accounting staff;
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- Retaining the firm of Lockhart, Atchley & Associates to complete an independent audit of its 2007 books and records;
- Upgrading its financial accounting software to the Microsoft Dynamics GP 10.0 system;
- Having all NRCC accounts in the name of the NRCC, which required closing previous bank and merchant accounts and opening new accounts;
- Hiring an outside vendor to open and review bank statements each month and conduct cash and general ledger reconciliations (monthly cash reconciliations for receipts and disbursements are tied to FEC reports);
- Requiring all disbursements by check to be signed by two of three authorized individuals (the Executive Director, the Chief Financial Officer, and the Treasurer) and destroying all signature plates;
- Requiring all disbursements by wire to have the approval of the division, legal counsel, and executive director before processing and requiring separate authorization by at least two of three officials (the Executive Director, Treasurer, and Chief Financial Officer) to execute the wire transfer;
- Having all contributions to the NRCC opened and processed by an independent outside vendor without access to the NRCC accounting system;
- Segregating duties for payroll processing between one person who provides the required information to a payroll processing vendor and a second individual who inputs payroll information from the vendor into the NRCC accounting system;
- Not using a petty cash fund; and
- Submitting all FEC reports for review and approval by the Treasurer and the independent outside vendor before it is submitted to the Chief Financial Officer for filing authorization.

NRCC Sua Sponte Submission at 4-5; NRCC Letter dated March 25, 2009 at 3-4.

Additionally, the NRCC filed a Form 99 on December 19, 2008, that disclosed Ward's unauthorized disbursements, and a Form 99 on November 13, 2009, explaining that its February 2009 Monthly report and all subsequent reports accurately disclosed its cash on hand balance, determined through an internal review of its financial records for 2007 and 2008.

IV. LEGAL ANALYSIS

A. Undisclosed and Mis-disclosed Embezzlement-Related Transactions

The NRCC identified numerous undisclosed transactions that Christopher Ward made in connection with his alleged embezzlement scheme, including \$515,000 in undisclosed transfers of NRCC funds to the accounts of various Presidents' Dinner Committees, \$112,879 in undisclosed transfers of NRCC funds to other committees that Ward served as treasurer, and an undisclosed disbursement of \$47,194 that Ward made using NRCC funds to pay a vendor to the 2006 President's Dinner Committee. *See supra* Section III.A. Accordingly, the undisclosed or mis-disclosed NRCC disbursements identified by the NRCC that were attributable to Ward's alleged embezzlement scheme total \$675,073. The NRCC also disclosed that as a consequence of these undisclosed and unauthorized disbursements, its cash on hand was also mis-disclosed.

Although the NRCC's failure to accurately keep account of and disclose its disbursements and cash-on-hand was related to Ward's embezzlement of committee funds, the NRCC nevertheless violated the Act when it filed the resulting inaccurate reports. Under the Act, a committee, through its treasurer, is required to keep an accurate account of and disclose its cash-on-hand, receipts and disbursements.⁴ *See* 2 U.S.C. §§ 432(c)(5), (d), 434(b)(1), (2), (3), (4)(H), (5) and (6)(B) and 11 C.F.R. § 104.3(a), (b). In addition, the Act and Commission regulations require that all receipts received by a committee be deposited into depository accounts established pursuant to 11 C.F.R. § 103.2. *See* 2 U.S.C. § 432(h)(1).

⁴ The Act's recordkeeping obligations include keeping an account of all contributions received by or on behalf of the recipient committee, and the name and address of every person to whom a disbursement is made, together with the date, amount and purpose of the disbursement and keeping a receipt, invoice or cancelled check for disbursements in excess of \$200. 2 U.S.C. §§ 432(c)(5), (d) and 11 C.F.R. § 102.9(a), (b)(2). Disclosure reports shall include, *inter alia*, the amount of cash-on-hand at the beginning of the reporting period, the total amount of receipts, and the total amount of disbursements, including the name and address of each person to whom an expenditure exceeding \$200 is made together with the date, amount and purpose of the expenditure. *See* 2 U.S.C. § 434(b)(1), (2), (4)(H), (5) and (6)(B).

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At the time of Ward's embezzlement, the NRCC had inadequate internal controls and procedures over its finances, did not adequately segregate financial duties, and provided little or no oversight of Mr. Ward. The Commission has considered the failure to implement adequate internal controls and procedures over committee finances (e.g., regular audits, control procedures over receipts and disbursements, segregated duties, and periodic review of finances) when evaluating committee liability for reporting violations resulting from embezzlement of committee funds. See, e.g., MUR 5923 (American Dream PAC), MUR 5920 (Women's Campaign Fund), MUR 5872 (Jane Hagle for Congress), MUR 5721 (Lockheed Martin Employee's PAC), MUR 5811 (Doggett for U.S. Congress), MUR 5812 (Ohio State Medical Association PAC), and MUR 5813 (Georgia Medical PAC).

Additionally, certain internal controls are necessary to receive the benefit of the Commission's embezzlement safe harbor. See *Statement of Policy; Safe Harbor for Misreporting Due to Embezzlement*, 72 Fed. Reg. 16,695 (April 5, 2007). The Commission created a safe harbor from civil penalties for the benefit of political committees filing incorrect reports due to the misappropriation of committee funds when certain internal controls are in place at the time of a misappropriation and post-discovery steps are followed. See *id.* Under the *Statement of Policy*, the Commission will not seek a monetary penalty from committees that maintained the minimal internal controls at the time of the embezzlement and take the appropriate post-discovery steps. See 72 Fed. Reg. 16,695 (April 5, 2007). The NRCC does not qualify for the self-reported embezzlement safe harbor because at least two of the minimum internal controls specified in the safe harbor, dual signature requirements for wire transfers and monthly reconciliation of bank statements to detect unauthorized transactions, were not in place at the NRCC at the time of Ward's embezzlement. Ward accomplished his embezzlement by

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1 single-handedly executing hundreds of thousands of dollars of wire transfers from the NRCC's
2 accounts. NRCC Sua Sponte Submission at 4-5. Although the NRCC had a policy requiring the
3 approval of multiple individuals for wire transfers, Ward was able to execute the transfers alone
4 because over time the duties of various individuals were concentrated with Ward. *Id.* The
5 NRCC *sua sponte* submission also indicates that Ward conducted bank reconciliations for years
6 when he served as comptroller to the NRCC and presented the results to the Committee's
7 treasurer. Once Ward became treasurer himself, the reconciliations became less frequent. *Id.* at
8 5. The NRCC stated that the committee had some of the internal controls described in the
9 Commission's *Statement of Policy* in that its internal procedures included the requirement of two
10 signatures on checks over \$25,000, multiple signatures for the payment of invoices, and all
11 committee accounts in the name of the NRCC. *Id.*

12 In several recent cases, there has not been a majority of the Commission in favor of
13 pursuing committees through the enforcement process for violations attributable to
14 embezzlement. In some cases, there was not a majority of commissioners willing to pursue
15 committees for violations that occurred before the Commission published its *Statement of Policy*
16 or if the amount in violation was low.⁵ The Commission has also referred committees to the

⁵ See RR 07L-51/Pre-MUR 460/MUR 5971(Lindsey Graham for Senate)(by a 3-3 vote, the Commission did not approve recommendations to find reason to believe that the respondent committee violated the Act in connection with \$280,688.84 in misreporting stemming from three years of embezzlement and failed to authorize pre-probable cause to believe conciliation with the committee; three Commissioners voting against the recommendations noted that the embezzlement occurred prior to the Commission's publication of its embezzlement safe harbor policy);

1 Alternative Dispute Resolution Office ("ADR") for reporting violations stemming from the
2 embezzlement of committee funds.⁶

3 This matter stands apart from others in which there was not a majority of the Commission
4 in favor of finding reason to believe a committee violated the Act based on misreporting due to
5 embezzlement because Ward's unauthorized and undisclosed or mis-disclosed disbursements
6 from the NRCC greatly exceeded the total amount in violation in recent Commission matters and
7 the duration of Ward's undetected mis-disclosures was far longer was far longer than the
8 undetected mis-disclosures in recent matters. Cf. RR 07L-51/Pre-MUR 460/MUR 5971(Lindsey
9 Graham for Senate) (\$280,688.84 mis-disclosed over the course of three years); _____

10 _____
11 _____ MUR 5933 (Indiana Democratic Congressional Victory Committee)(\$70,000 mis-
12 disclosed over the course of two years); RR 08L-14 (San Antonio Police Officers' Association
13 PAC)(\$62,400 mis-disclosed over the course of two years); _____

14 _____
15 The NRCC's loss of control over its donors' funds enabled Ward to cause the largest loss
16 of contributor funds by a single committee since the 1992 cycle. Cf. MURs 3585/4176 (Tsongas
17 Committee) (committee's chief fundraiser and close associate of the candidate embezzled over
18 \$800,000 primarily by soliciting loans to the committee from contributors and depositing them

⁶ See MUR 5933 (Indiana Democratic Congressional Victory Committee)(by a 3-3 vote the Commission did not authorize pre-probable cause to believe conciliation with the committee for reporting violations stemming from embezzlement of approximately \$70,000 of committee funds over the course of two years, and decided by a vote of 6-0 to refer the matter to ADR); RR 08L-14 (San Antonio Police Officers' Association PAC)(by a 3-3 vote, the Commission did not approve recommendations to find reason to believe the PAC violated the reporting requirements of the Act due to misreporting stemming from \$62,400 in embezzlement occurring over the course of two years, and decided by a vote of 6-0 to refer the PAC to ADR);

1 into a secret account from which he withdrew the funds). Furthermore, the NRCC's loss of
2 control over its contributors' funds occurred over the course of at least five years, the known loss
3 occurred through only eleven large disbursements, one consisting of a \$150,000 wire transfer,
4 and, unlike in MURs 3585/4176, the funds were lost directly from the Committee's accounts.
5 Therefore, the NRCC's failure to detect the loss of its contributor's funds under these
6 circumstances makes this the most significant embezzlement-related matter to come before the
7 Commission and one which warrants a finding that there is reason to believe that the NRCC
8 violated the Act.

9 Consequently, we renew the recommendations in the First General Counsel's Report that
10 the Commission find reason to believe that the National Republican Congressional Committee
11 and Keith Davis, in his official capacity as treasurer, violated 2 U.S.C. §§ 432(c) and 434(b) by
12 failing to disclose disbursements, and we recommend pre-probable cause conciliation.

13 **B. NRCC Liability for Mis-Disclosing its Line of Credit Balance**

14 In the First General Counsel's Report, we noted that the NRCC disclosed in its initial *sua*
15 *sponte* that it discovered that the amount it reported as outstanding on its line of credit was
16 \$200,000 less than the actual amount the NRCC owed and that this mis-disclosure is not related
17 to Ward's embezzlement. The NRCC confirmed on October 27 and December 3, 2009, that this
18 discrepancy was the result of the NRCC disclosing that it made two payments that would have
19 reduced the amount of the outstanding balance on its line of credit, totaling \$200,000 (\$150,000
20 on July 12, 2007, and \$50,000 on July 19, 2007) that were never actually made. Committees,
21 through their treasurers, are required to disclose loans, loan payments, and the amounts of
22 outstanding loan balances accurately. See 2 U.S.C. § 434(b)(2)(H), (4)(E) and (8); 11 C.F.R.
23 § 104.3(a)(2)(vi), (b)(1)(iii), and (b)(3)(iii). The failure of the NRCC to do so provides another

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1 basis for finding reason to believe that the National Republican Congressional Committee and
2 Keith Davis, in his official capacity as treasurer, violated 2 U.S.C. § 434(b).

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1 **VII. RECOMMENDATIONS**

1. Open MUR as to Pre-MUR 470 (National Republican Congressional Committee).
2. _____
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4. Find reason to believe that the National Republican Congressional Committee and Keith Davis, in his official capacity as treasurer, violated 2 U.S.C. §§ 432(c) and 434(b) _____
5. _____

6. Approve the attached Factual and Legal Analysis.

7. Approve the appropriate letter.

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12/30/09
Date

Thomasenia P. Duncan / by
Thomasenia P. Duncan
General Counsel

[Signature]
Ann Marie Terzaken
Associate General Counsel for Enforcement

Mark Allen by KM
Mark Allen
Assistant General Counsel

[Signature]
Michael A. Columbo
Attorney

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